

EXHIBIT N

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re:	Case No.
RESIDENTIAL CAPITAL, LLC, et. al,	12-12020(MG)
Debtors.	

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VIDEOTAPE DEPOSITION OF JOHN RUCKDASCHEL

New York, New York

November 8, 2012

9:37 a.m.

Reported by:
ERICA L. RUGGIERI, RPR
JOB NO: 27643

November 8, 2012

9:37 a.m.

Deposition of JOHN RUCKDASCHEL,
held at the offices of Kramer, Levin,
Naftalis & Frankel, 1177 Avenue of the
Americas, New York, New York, pursuant to
Notice, before Erica L. Ruggieri,
Registered Professional Reporter and
Notary Public of the State of New York.

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2 made by the seller. They are passed to
3 the depositor and then passed to the -- to
4 the trust. So one of the -- if somebody
5 sends you a loan and says you need to
6 repurchase this loan because, because it
7 defaulted, the first response would be,
8 well, what representation or warranty are
9 you suggesting that this loan breaches.
10 Because you would not, you would not
11 repurchase a loan that doesn't -- that
12 doesn't breach a rep or warranty. So that
13 would be, you know, that would be an
14 example of the document based discussion.

15 Q. Is that a defense that it didn't
16 breach a representation or warranty?

17 A. If the person who is throwing
18 the loan over the fence saying, you know,
19 buy this loan back cannot point to a
20 representation or warranty that's been
21 breached, the depositor and the sponsor
22 actually cannot repurchase the loan. It
23 does not trigger the repurchase
24 obligation.

25 Q. And this is even if the loan has

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2 defaulted?

3 A. Even if the loan has defaulted.
4 There's not -- there's not a guarantee put
5 on the transaction.

6 Q. What other defenses did you
7 raise?

8 A. So another example of -- and
9 this won't come as a surprise to any of
10 the securitization folks, there's the
11 concept of loss causation. That even if,
12 even if you say a plaintiff or just a
13 counterparty says here's a loan, you need
14 to buy it back, it has defaulted, you
15 know, because it has breached the
16 representation or warranty and the breach
17 in question has nothing to do with the
18 default, the argument is that, well, the
19 loss in question was not caused by the
20 default, it was caused because the
21 borrower, you know, lost his job, you
22 know, got sick. Those sorts of things.

23 Q. And in that situation you
24 wouldn't repurchase the loan?

25 A. The -- the argument is that no,

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2 we would not. The sponsor and depositor
3 would not have to repurchase the loan
4 under those circumstances because the
5 breach in question did not cause the loss.

6 Q. In your time at ResCap, are you
7 aware if ResCap did repurchase some loans
8 under this rule or did they refuse to
9 purchase loans which didn't show loss
10 causations while you were there?

11 A. I don't have, you know, personal
12 knowledge of that. But my understanding
13 is that, you know, we have a repurchase
14 group and the repurchase group would not
15 repurchase a loan where the -- the loss
16 was not caused by a breach of a
17 representation or warranty. You know, the
18 classic example is there's supposed to be
19 some document in the file. You can't find
20 the document. But the borrower has --
21 has defaulted because they lost their job.
22 Well, a missing document has nothing to do
23 with the default in question.

24 Q. And you weren't the person in
25 charge of putting numbers to any of these

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2 A. The --

3 MR. RAINS: Wait for a question.

4 THE WITNESS: Okay. Sorry.

5 Q. Did you understand Mr. Devine in
6 that conversation to be representing Ally
7 or ResCap?

8 A. As I said earlier, my
9 understanding is that in the RMBS
10 settlement discussions that Tim was
11 representing Ally.

12 Q. Do you recall Mr. Devine's
13 response to your indemnification issue
14 that you raised?

15 A. I don't -- I don't recall the
16 specifics.

17 Q. Do you recall if he agreed or
18 disagreed?

19 A. I think he -- I think he agreed
20 with me that it was -- it was a good idea
21 but as I recall I think it wasn't
22 something that we were -- that the parties
23 wanted to, you know, have the deal fall
24 apart just on a trustee indemnity issue.

25 Q. So it wasn't drop dead for the